



The *WALT DISNEY* Company

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December 23, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, N.W., Rm. TWB204
Washington, D.C.

Dear Ms. Salas:

On behalf of The Walt Disney Company's wholly-owned subsidiary ABC, Inc., transmitted herewith for filing with the Commission are an original and four copies of its Comments in RM No. 9395.

If there are any questions in connection with the foregoing, please contact the undersigned.

Very truly yours,

Diane Hofbauer Davidson

DHD/smk
Enclosures

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FEDERAL COMMUNICATIONS COMMISSION
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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
USA Digital Radio Partners, L.P.)	
)	
Petition for Rulemaking)	RM-9395
With Respect to)	
Amendment of Part 73 of the)	
Commission's Rules to Permit)	
the Introduction of Digital Audio)	
Broadcasting in the AM and)	
FM Broadcast Services)	

To: The Commission

COMMENTS OF THE WALT DISNEY COMPANY

("ABC")

The Walt Disney Company, on behalf of its subsidiary ABC, Inc. ("ABC"), hereby submits its comments regarding the Petition for Rulemaking filed with the Federal Communications Commission (the "Commission" or "FCC") by USA Digital Radio Partners, L.P. ("USADR") on October 7, 1998 (the "USADR Petition"). ABC owns and operates, directly or through wholly owned subsidiaries, 35 radio stations that would be affected by the issues raised in the USADR Petition.

ABC strongly supports USADR's request that the Commission initiate a Rulemaking proceeding to establish a digital audio broadcasting ("DAB") system in the United States, and allow radio broadcasters to upgrade their analog broadcasts to digital broadcasts in order to improve the existing and vital communications medium of terrestrial broadcast radio.

As noted by USADR in its Petition, the improvements in quality and service that digital technology provides have been successfully utilized in many other facets of communications services, such as mobile telephones, pagers, and wireline telephone networks.¹ The promise of and consumer benefits from digital have also lead to the recent authorization and adoption of digital technologies for broadcast television and satellite radio service. Establishment of a digital audio broadcast system for terrestrial radio will provide another significant means of meeting the dramatic increase in consumer demand for digital communications products.

The USADR Petition thoroughly documents the high value and importance to consumers of radio broadcasting in the United States, and the need for improving both AM and FM performance.² Under Section 303(g) of the Communications Act, the FCC has the power and duty to "encourage the larger and more effective use of radio in the public interest."³ Introduction of digital AM and FM radio broadcasting meets this important government objective by allowing radio broadcasters to better serve the public with enhanced audio quality,

¹ See USADR Petition at 2-3.

² Id. at 3-6.

³ 47 U.S.C. § 303(g).

improved reliability and better service offerings. Thus, the Commission should initiate promptly a rulemaking proceeding to address the matters raised in the USADR Petition.

Moreover, the Telecommunications Act of 1996 underlined the importance that Congress places on affirmative government action that accelerates private sector deployment of new telecommunications and information technologies.⁴ Adoption of amendments to the Commission's rules that allow radio broadcasters to upgrade their services through deployment of digital technology is precisely the kind of government action envisioned by Congress.

In its Report and Order authorizing the Digital Audio Radio Satellite Service ("DARS"), the Commission said that it would support industry efforts to allow terrestrial radio broadcasters to convert to digital technology, and that it would "act expeditiously to consider changes to our rules to allow AM and FM licensees to offer digital sound" when the time is ripe.⁵ ABC believes that the time has now come for the FCC to act. Every other communications medium is upgrading to digital. Satellite digital radio services have been authorized. Terrestrial radio should not be left behind. The public relies heavily upon this universally-available, free communications medium. Digital terrestrial radio will provide even more value to consumers

⁴ See preamble to the Conference Report of the Telecommunications Act of 1996, stating the intention to "provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans..." H.R. Conf. Rep. No. 458, 104th Cong., 2d Sess. (1996).

⁵ Report & Order, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, In the Matter of Establishment of Rules and Policies for the Digital Audio Radio Satellite Service in the 2310-2360 Mhz Frequency Band, 12 FCC Rcd 5754 at 5769 (1997) ("DARS R&O").

through new and improved services, such as CD quality sound and auxiliary offerings that will enhance the value of local radio broadcasting.

ABC supports USADR's contention that the government must play a role in the process of setting a transmission standard for terrestrial digital radio broadcasting. Radio is a ubiquitous over-the-air medium with numerous outlets in every market throughout the United States. If there are incompatible competing standards in use, terrestrial digital radio will never develop -- much less fulfill its full potential as an advanced free communications service for the public. The public is accustomed to being able to receive all radio broadcasts on standard receiving equipment. If different broadcasters utilize different transmission systems, not only will the public be unable to recognize and appreciate the full benefits of this promising new technology, the universal nature of radio itself will be eroded.

As the Commission has noted in the context of the advanced television proceedings, because of the free, universal nature of the medium and the public's heavy reliance upon it, "the goals of certainty and reliability take on special significance and strengthen the case for [adoption of a single transmission standard]."⁶ Development of a single standard for DAB will minimize the level of additional government regulation necessary for a smooth transition to digital radio broadcasts, yet will provide the certainty needed to encourage broadcaster investment in upgraded facilities and equipment, and consumer investment in reception equipment. The public interest benefits of government involvement in the establishment of a

⁶ In the Matter of Advanced Television Systems and their Impact Upon the Existing Television Broadcast Service, Fourth Report and Order, MM Docket No. 87-268, 11 FCC Rcd 17771, 17788 (1996) ("ATV Order").

single transmission standard for digital terrestrial radio are amply articulated in the USADR Petition.⁷

At the very least, the government must establish rules to manage interference to insure that new digital transmissions do not interfere with existing analog broadcasting *or* with other new digital transmissions. Any transition from analog terrestrial radio to digital terrestrial radio service must be accomplished in a manner that is least disruptive to the public and its reliance on local radio broadcasting for entertainment, news and information.⁸ Accordingly, ABC urges the Commission to initiate a rulemaking proceeding that will consider and address the establishment of interference criteria for DAB that will encompass all issues relating to analog and digital compatibility. Of particular concern is adjacent channel interference – ABC believes that any new DAB system should improve the current reception situation rather than further degrading it in any way. It is important that the new DAB system strive to enhance digital station coverage and reception quality of the digital signal over current analog coverage and reception – at the very least, introduction of DAB should not erode existing station coverage and reception.

⁷ See Besen & Gale, *Standard Setting for Digital Radio*, October 7, 1998, included as Exhibit B to the USADR Petition.

⁸ The USADR Petition already notes the Commission's authority to establish interference criteria pursuant to Section 302(a) of the Communications Act of 1934, as amended. See USADR Petition at note 92, citing 47 U.S.C. §302(a).

CONCLUSION

For the reasons set forth above, ABC hereby requests that the Commission initiate a rulemaking proceeding to (1) establish a digital audio broadcast system that will allow both AM and FM terrestrial radio broadcasters to upgrade their services to utilize digital technology, (2) establish the necessary interference criteria for introduction of this new service and a smooth transition from analog to digital radio broadcasts, and (3) provide necessary and appropriate Commission assistance in the establishment of a single transmission standard for DAB.

Respectfully submitted,

By: *Diane H Davidson*

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